

Item No. 13.	Classification: Open	Date: 14 July 2016	Meeting Name: Audit, governance and standards committee
Report title:		Revised work programme for 2016-17	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. That the audit, governance and standards committee consider the proposed revised work programme for 2016-17 including planned coverage of governance topics for the year and also whether they would wish to make any other amendments.
2. That the audit, governance and standards committee, subject to any requested changes, agree the work programme set out in Appendix 1 for 2016-17.

BACKGROUND INFORMATION

3. At their meeting on 22 February 2016, the committee considered and agreed a work programme for 2016-17. Since then, council assembly has agreed a revised role for the committee which includes functions formerly carried out by the standards committee and it is therefore now appropriate to reconsider the programme for the coming year.
4. The revised terms of reference, as approved by council assembly, now cover functions relating to audit activity, accounts, treasury management, governance activity and standards activity. They are attached at Appendix 2 for information.
5. The purpose of this report is to set out a revised 2016-17 programme which takes account of the committee's additional role for the committee's agreement.

KEY ISSUES FOR CONSIDERATION

6. The revised draft programme includes items which were previously considered by the standards committee.
7. At their February meeting, the committee considered the proposed draft work programme for 2016-17. Members agreed that, rather than select a single governance theme, they would identify a number of areas for consideration at future meetings.
8. As part of this, they agreed that they would invite members of the local pensions board and of the pensions advisory panel to the November meeting to discuss governance arrangements and issues in respect of the pension fund. The work programme has been updated to take account of this.

9. They also suggested that a further update on the implementation of public health impact assessment into the decision making process could be included on the July agenda. Given the ongoing changes in the public health service, this item has been deferred and it is proposed that the director of public health be invited to attend committee in November to outline changes to governance arrangements and the work being done on the health of the borough.
10. As in previous years, there remains a need to ensure flexibility in terms of emerging issues which come to light through items already on the committee's agenda. For example, a review of audit recommendations and progress on their implementation may highlight a need to request the attendance of individuals at a future meeting to help explain action taken. The draft programme therefore still includes a standing item relating to review of the committee's work plan. There may also be a need to review the work programme to take account of any changes which may be agreed to the council's constitution during the year.
11. Training will continue to be provided for members on the role of the committee, and development needs will continue to be monitored to enable appropriate training to be provided as opportunities arise.
12. The committee is asked to consider whether the attached revised work programme reflects its priorities for the next year or whether there are other amendments which it would wish to see included.

Policy implications

13. This report is not considered to have direct policy implications.

Community impact statement

14. The decision to agree a work programme for next year is considered not to have a significant impact on any particular community or group.

Resource implications

15. There are no direct resource implications in this report.

Consultation

16. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

17. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Revised work programme 2016-17
Appendix 2	Extract from the constitution – Part 3K: Audit and governance committee

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Jo Anson, Head of Financial and Information Governance	
Version	Final	
Dated	24 June 2016	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	N/A	N/A
Cabinet Member	No	No
Date final report sent to Constitutional Team	24 June 2016	

APPENDIX 1

Revised work programme 2016-17

Items shown in brackets (✓) are standing items which will be brought forward as they arise

Item	Meeting date					Commentary
	July 2016	September 2016	November 2016	February 2017	May 2017	
General						
Annual work programme for following year				✓		Draft work programme for the committee – Head of Financial and Information Governance
In-year review of work programme	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to pick up emerging issues
Annual report of audit and governance committee				✓		Report on committee's work and performance to be submitted to council assembly each year – Head of Financial and Information Governance
Internal Audit activity						
Internal audit charter	✓					To review and approve changes, if needed, to the internal audit charter – Head of Anti-Fraud and Internal Audit
Internal audit plan and strategy for internal audit				✓		Proposed internal audit programme for future years – Head of Anti-Fraud and Internal Audit
Annual report and opinion on internal audit and fraud	✓					Including review of effectiveness of system of internal audit and Head of Anti-Fraud and Internal Audit's opinion on system of internal control and report on internal audit contractor and Head of Anti-fraud and Internal Audit (chief audit executive) performance – Head of Anti-Fraud and Internal Audit
Progress report on the work of internal audit and fraud	✓		✓	✓	✓	Issues raised and progress on implementation of recommendations, including approval of any significant additional advisory services – Head of Anti-Fraud and Internal Audit

Item	Meeting date					Commentary
	July 2016	September 2016	November 2016	February 2017	May 2017	
Chief audit executive information	(✓)	(✓)	(✓)	(✓)	(✓)	Report on appointment, departure, resignation or change in chief audit executive – Director of Finance
External Audit activity						
Audit fee letters (including pension fund)	✓			✓		Annual fee letters setting out indicative fees and planned work/outputs for 2016-17 in July 2016 and for 2017-18 in February 2017 for the council and pension fund – Grant Thornton
Audit plans (including pension fund)					✓	Audit plans setting out audit work to be undertaken for audit of financial statements 2016-17 for the council and pension fund, including approval of any significant additional advisory services – Grant Thornton
Annual Audit letter (Grant Thornton)			✓			Annual audit letter (AAL) providing a summary of Grant Thornton's assessment of the council for 2015-16, drawing from audit of financial statements and work undertaken to assess VfM – Grant Thornton
Audit findings reports (ISA 260) – including pension fund)		✓				Annual governance report (AGR) summarising findings from 2015-16 audit of financial statements and work to assess VfM arrangements – Grant Thornton
Informing the audit risk assessment for the council (including pension fund)					✓	Item on oversight of management's processes in relation to risks of fraud/error, compliance with relevant laws and regulations and gong concern – Grant Thornton
Certification of claims and returns annual report				✓		Annual report summarising findings from the certification of 2015-16 grant claims – Grant Thornton
Audit update report	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – Grant Thornton update on work being planned or undertaken – Grant Thornton
Governance and standards activity						
Annual governance statement	✓	✓				Annual governance statement (AGS) is a mandatory statement setting out the council's governance arrangements – Head of Financial and Information Governance
Retrospective approvals to	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – contract standing orders require retrospective contract decisions over £100k to be

Item	Meeting date					Commentary
	July 2016	September 2016	November 2016	February 2017	May 2017	
contract decisions						reported for the purpose of obtaining guidance to inform future decision making – Head of Financial and Information Governance
Risk management and insurance	✓		✓			Annual report on risk management and insurance in July; report on key risks in November – Corporate Risk and Insurance Manager
Progress report on implementation of external audit recommendations	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – progress made in implementing external audit recommendations (Including audit findings) – Head of Financial and Information Governance/Director of Finance
Outcomes of the whistleblowing policy			✓			Annual report to consider outcomes of the whistleblowing policy – Director of Law and Democracy
Review of complaints made under Code of Conduct			✓			Annual report on complaints made under Code of Conduct – Head of Corporate Team
Report on operational use of Regulation of Investigatory Powers Act 2000			✓			Annual report on use of powers under RIPA – Head of Corporate Team
Review of member and officer protocol and communications protocol			✓			Annual review of protocols, with recommendations for changes as needed – Head of Corporate Team
Establishment of Sub-committees for 2016-17	✓					Report to establish sub-committees in line with committee's role and functions – Principal Constitutional Officer
Member induction and training		✓				Report on member induction and training
Areas of governance for review during year	(✓)	(✓)	(✓)	(✓)		September 2016 – to be identified by committee November 2016 – local pensions board and pensions advisory panel; director of public health February 2017 – to be identified by committee
Corporate governance framework	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to include e.g. council policies within remit of audit, governance and standards committee; other areas as identified: pensions governance; code of governance

Item	Meeting date					Commentary
	July 2016	September 2016	November 2016	February 2017	May 2017	
Accounts						
Statement of accounts	✓	✓				2015-16 statement of accounts for consideration and approval – Director of Finance
Treasury Management						
Review of the policy and strategy			✓			Review of treasury management policy and strategy – Director of Finance

APPENDIX 2

Extract from the constitution – Part 3K Audit, governance and standards committee

ROLE AND FUNCTIONS

Introduction

The purpose of the audit and governance committee is to provide:

1. Independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment.
2. Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
3. Oversight of the financial reporting process.
4. Scrutiny of the treasury management strategy and policies
5. A framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.

Audit activity

6. To approve the internal audit charter.
7. To approve the risk based internal audit plan, including resource requirements.
8. To approve any significant proposed advisory services, additional to those included in the audit plan.
9. To receive information on the appointment, departure, resignation or change in chief audit executive.
10. To receive in-year summaries of internal audit and anti-fraud activity and the internal audit annual report and opinion and to consider the level of assurance it can give over the council's corporate governance arrangements.
11. To receive reports dealing with the management and performance of the provider of internal audit services, including the performance of the chief audit executive.
12. To receive reports from internal audit on agreed recommendations not implemented within a reasonable timescale.
13. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
14. To consider specific reports as agreed with the external auditor.
15. To comment on the scope and depth of external audit work and to ensure it gives value for money.
16. To have oversight over the appointment of the external auditor.
17. To commission work from internal and external audit.

Accounts

18. To review and approve the annual statement of accounts and specifically to consider compliance with appropriate accounting policies and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
19. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Treasury management

20. To review and scrutinise the treasury management strategy and policies.

Governance activity

21. To review any issue referred to it by the chief executive or a strategic director, or any council body.
22. To monitor the effective development and operation of risk management in the council.
23. To monitor the effective development and operation of corporate governance in the council and to agree actions necessary to ensure compliance with best practice.
24. To monitor council policies on 'whistle-blowing', the 'corporate anti fraud strategy' and the council's complaints processes.
25. To receive reports from the statutory officers under the council's whistleblowing policy.
26. To provide strategic oversight on the use of the powers regulated by the Regulation of Investigatory Powers Act 2000 and to receive in-year reports on operational use.
27. To oversee the production of and agree the council's annual governance statement.
28. To review the council's compliance with its own and other published standards and controls.
29. To receive reports on retrospective contract related decisions as set out in contract standing orders.
30. To receive reports from the monitoring officer on any serious breach of the contract standing orders or procurement guidelines.

Standards activity

31. To advise the council on the adoption or revision of the members' code of conduct, the member and officer protocol and the communication protocol.
32. To monitor the operation of the members' code of conduct, the member and officer protocol and the communication protocol.
33. To monitor and advise on training provided for councillors, co-opted members and church and parent governor representatives.
34. To deal with any standards related complaints referred to it and any report from the monitoring officer on any matter which is referred to him or her.
35. To receive reports from the monitoring officer on unlawful expenditure and probity issues.
36. To consider the withholding of allowances from individual members (including elected members and co-opted members) in whole or in part for non-attendance at meetings, or, for elected members only, for failure to attend required training.
37. To establish the following sub-committees:
 - To consider complaints of misconduct against elected councillors and co-opted members
 - To consider civic awards.

Annual report

38. To report annually to all councillors on its work and performance during the year.

MATTERS RESERVED FOR DECISION

Matters reserved for decision by the main committee

39. The matters reserved for decision to the committee are as set out in the roles and functions, other than those functions delegated to the relevant sub-committee.

Matters reserved for decision by the conduct sub-committee

40. To consider complaints of misconduct against elected councillors and co-opted members.

Matters reserved for decision by the civic awards sub-committee

41. To grant civic awards.
42. To consider the process by which the decisions with respect to civic awards applications are to be taken and to make recommendations to the standards committee.
43. To appoint non-voting co-opted members.